# EXECUTIVE SUMMARY

Prepared July 31, 2001
Mine Plan and Notice submitted: May 23,2001

**Mine Name**: Blue Castle Mine
**Operator**: GoldTerra Inc.
**Address:** 4088 East Airport Road
Price, Utah 84501

**Telephone**: (435) 636-8888 **FAX** (435) 637-3104
**Contact Person:** Daniel C. Sheppard
**Life of Mine:** 10 Years +

**I.D. No.** M/015/077
**County:** Emery
**New/Existing:** SMO expanding to LMO
**Mineral Ownership**: Public Domain - BLM
**Surface Ownership**: Public Domain - BLM
**Lease No.(s):** N/A
**Permit Term:** Life of Mine

**Legal Description:** E1/2, Sec 29, T16S, R14E, SLBM

**Mineral(s) to be Mined:** Gold

**Acres to be Disturbed:** 135.56 Acres

**Present Land Use:** Stock Grazing/Wildlife

**Postmining Land Use**: Stock Grazing/Wildlife

**Variances from Reclamation Standards (Rule R647) Granted:** The naturally barren Mancos Shale slopes and mine terraces will not be reseeded. Due to the harsh site conditions, a variance for the 3 year requirement to attain the 70% revegetation standard in the area of approximately 22.16 acres of the mine that will be seeded and receive soils, as identified on the Reclamation Map. Because the remainder of the mine, approximately 113.4 acres, is located in barren Mancos Shale slopes that contain minimal vegetation, no revegetation standard will be applied.

## Soils & Geology:

**Soil Description:** Approximately ½ of the lower facilities area are located within the Ravola-Toddler Complex. In this area 12" of soil will be harvested and stored for reclamation. The upper ½ of the facilities area, haulroad and approximately 10.02 acres of the proposed pit is located in a different, but similar soils type – the loamy-skeletal, mixed calcareous, messic type torrifluvents. In this area 8" of soil will be harvested and stored for reclamation. These areas are identified on the Reclamation Map.

**pH:** 7.3 to 7.7

**Special Handling Problems**: A large portion of the mine area is located within soils type Greybull-Utaline-Persazo complex and the Badland-Rubbleland-Rock outcrop complex. Soils within this unit are spotty and exhibit suitable topsoil qualities in only the portion from 0" to 4". Below that the soil is considered poor, being high in salts and selenium and very stony. These soils are present in a very thin veneer or in isolated pockets, associated with large boulders on hillsides. Soils and boulders in this area will be salvaged and respread on the pit benches to the extent practical.

**Geology Description**: The mine site, ore and soils, occurs in Mancos Shale, which is in Blue Castle member formed during the Cretaceous Age. This mine will produce no overburden, as the ore occurs on surface. As a result, soil harvested at this site will be limited.

## Hydrology

**Ground Water Description:** The water table in this area is presently unknown. Ground water has not been encountered in the small mine operation and no ground water is found in the area. Therefore no effects to ground water by this operation is anticipated.

**Surface Water Description:** The minesite is located between two large intermittent drainages – Coleman Wash on the west and Grassy Wash on the east. One ephemeral drainage bisects the proposed minesite running from north to south. The only runoff anticipated at the site will be from direct rainfall or snowmelt.

**Water Monitoring Plan:** None required

## Ecology

**Vegetation Type(s); Dominant Species:** The site vegetation grades from a snakegrass/grass community at the processing area through bare Mancos Shale slopes with some grasses and shrubs on the lower slopes to a Pinion/Juniper community on the upper slopes of the site.

**Percent Surrounding Vegetative Cover**: The site vegetation ranges from 0% on the bare Mancos Shale slopes to 35% on the processing area/lower pit areas.

**Wildlife Concerns:** None

**Surface Facilities:** The processing site will contain an office/lunchroom trailer with facilities, and a guard trailer. Also a trailer containing a generator to power support facilities and crushing and screening operations with fuel and water tanks within the processing site area. All crushing, mining equipment and support facilities will be portable and easily removed from the site.

**Mining and Reclamation Plan Summary**:
**During Operations:** Open pit mining of the Mancos Shale will be accomplished using a loader and 15 ton haul-trucks. Material will be mined and hauled to the processing site where it will be crushed and stockpiled prior to removal offsite site for further processing. Material will be mined beginning the first year at a rate of 500 tons/day and graduating to a rate of 5000 tons/day after year six and continuing at this level through the life of the mine. Mining will take place on a year round basis.

**After Operations:** Reclamation of the millsite (11.68 acres) will include regrading of the area, ripping of the compacted areas, spreading of 12 inches of soil upgraded to at least original quality, followed by ripping and seeding. The haulroad to the minesite and a portion of the mine (total of 10.48 acres) will receive 8 inches of soil upgraded to at least original quality, followed by ripping and seeding. The remaining 111.57 acres of the mining area has only small amounts of soil material and a large amount of boulders on the slopes. Efforts will be made during mining to replace the soils and boulders to the extent practical. As terraces are developed during mining these soils and boulders will be spread on the terrace. Since the soils will contain any existing vegetation for a seed source and will be respread in a relatively short time after stripping, there are no plans to reseed the mine terraces unless it is otherwise required by the regulatory agencies. GoldTerra's five acre SMO has been included within the larger mining plan. The small mine will be operated until the large mine plan is approved. The SMO load-out and access road (1.83 acres) will be reclaimed when they are no longer needed. The remaining 3.12 acre portion of the SMO has been included in the large mine plan.

## Surety

**Amount:** $281,200
**Form:** Unknown at this time
**Renewable Term:** 2006 Dollars

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